


# Quick take: Sunway REIT rises after earnings meet expectations

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The Star Online

May 15, 2025



KUALA LUMPUR: Sunway Real Estate Investment Trust (Sunway REIT) emerged as one of Bursa Malaysia's top gainers in early trade on Thursday after its latest quarterly financial results came in within expectations.

The counter rose seven sen to RM2 at 9.47 am with 1.7 million shares done.

Sunway REIT reported a 20% rise in net property income (NPI) to RM157.2mil and a 23% increase in revenue to RM218.9mil for the first quarter ended March 31, 2025 (1Q25) .

Kenanga Research said Sunway REIT's 1Q25 results met expectations, with net profit rising 20% year-on-year (YoY), boosted by newly acquired retail assets and improved performance at Sunway Pyramid and Sunway Carnival following refurbishments.

"Sunway REIT's 1Q25 net profit makes up 24% and 25% of our full-year forecasts and full-year consensus estimates, respectively. No dividend was declared for the quarter as the group typically makes semi-annual dividend payments," it said.

Kenanga is also impressed by the rising rental income from the newly acquired 163 Mall, which boosted its NPI yield to around 9% on an annualised basis.

The research house has maintained its earnings forecasts and “Outperform” call, upgrading its target price from RM2.07 to RM2.11 (+2%) after rolling over the valuation base year to FY26F. Sunway REIT remains their sector top pick for 2QCY25.

PublicInvest Research also said Sunway REIT’s 1Q25 results were largely within both its and consensus expectations, with the group’s profit making up about 25.8% of its full-year estimate and 25.2% of the consensus forecast.

The research house makes no changes to its earnings estimates and maintains its target price of RM1.80, which implies a dividend yield of about 6%. Given the limited upside, it keeps a “neutral” call on the stock.